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Member of Cabinet of Commissioner Sejourne - „Single Market Strategy, SME and competitiveness check“
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Member of Cabinet of Commissioner Varhelyi – „Prevention and non-communicable diseases - Cardiovascular & Tobacco“
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CC:
Deputy Permanent Representative of Lithuania to the EU
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Dear Ms. Hanna Anttilainen, Mr. Grigorios Delavekouras, Mr. László Andrejkó,

Failure to reflect scientific data, business realities, impacts on illicit trade and Single Market considerations in the evaluation of the EU tobacco control framework

The Lithuanian Business Confederation wishes to highlight several major shortcomings in the April 2026 Commission Staff Working Document regarding the Tobacco Products Directive. These issues are especially evident in its treatment of business stakeholders, ignoring scientific data, illicit trade, and the implications for the Single Market. Unfortunately, while the evaluation provides some analysis of health and regulatory issues, it still lacks a solid scientific backing, sufficiently robust assessment of the economic and operational impacts on Europe’s business sector, despite the Commission’s Better Regulation commitments.

We must also not forget that the tobacco and nicotine industry is a core pillar of the European economy. It contributes nearly €200 billion annually to EU GDP – equivalent to the entire Greek economy – and supports nearly a million jobs across retail, farming, machinery, manufacturing, packaging, wholesale, and distribution. The sector also generates over €100 billion indirect annual tax revenue each year across the EU, with the value chain paying over €40 billion in wages across Europe each year.¹

Recent high-level EU reports by Enrico Letta and Mario Draghi remind us that Europe’s economic resilience depends on strong value chains, a well-functioning Single Market, and the ability of firms to scale, invest, and innovate within the EU.

¹ Standard & Poor’s Market Intelligence – [The Economic contributions of the traditional tobacco and new nicotine products value chains to the EU-27](#), (May 2023)

However, challenges including illicit trade and cumulative regulatory burdens are already undermining the success of legitimate businesses and their crucial economic and social contributions. And worryingly, these considerations do not form part of the EU Commission's recent report.

Science, data and harm reduction

Any credible review of the EU tobacco control framework must be firmly anchored in science, real-world data, and the principle of harm reduction. A one-size-fits-all approach that ignores material differences between products, patterns of consumption, and relative risk is neither analytically defensible nor consistent with better regulation. Policymaking in this area should be driven by evidence of what actually reduces harm, curbs illicit trade, protects youth, and delivers workable outcomes in practice. Measures that disregard these distinctions risk producing the opposite of their intended effect: weakening legitimate operators, distorting the Single Market, fuelling illegal channels, and undermining public health objectives. For this reason, we urge the Commission to adopt a proportionate, evidence-based framework that recognises harm reduction as an essential public policy principle rather than treating all products and consumers as if they present the same risks.

Illicit trade

Unfortunately, the Commission's evaluation process has failed to account for how overly restrictive regulation drives black markets, which undermine legitimate businesses, reduces tax revenues, and weakens regulatory oversight. Lithuania's recent increase in the illicit trade of nicotine products shows that enforcement proves difficult, as flavoured products remain widely available without age checks, and official data shows underage vaping has not declined.

The Netherlands offers another example: in 2024, it banned nicotine pouches and restricted flavoured vapes to reduce youth use, yet youth vaping has since increased. Additionally, despite flavoured vapour bans, 87% of Dutch² and 63% of Danish³ consumers continue to purchase flavoured products through illicit channels.

Findings from the European Anti-Fraud Office (OLAF)⁴ further indicate that illicit tobacco trade remains a persistent feature of the European market, with failed policies resulting in EU treasuries losing €13 billion each year in taxes to the illicit tobacco and nicotine trade.⁵

Regulatory burden

Businesses are already shouldering new packaging and waste rules, reporting and traceability obligations, and circular economy measures. The Commission's own Better Regulation principles require systematic consideration of cumulative burdens, compliance costs, operational disruption, and administrative complexity. Yet none of this has been done in the TPD evaluation.

Instead, the Evaluation Report treats TPD revision in isolation, rather than in the context of the broader regulatory burden already facing EU firms. This ignores the reality that businesses across the value chain are already adapting to multiple overlapping obligations, with direct consequences for investment, operations, and long-term planning.

Next steps

Given what is at stake in terms of the health of Europe's business sector, any TPD evaluation should be grounded in robust scientific evidence, balanced stakeholder input, and a clear understanding of economic realities. We believe this to be essential, not optional.

As the Commission considers next steps, there is an opportunity to strengthen the analytical foundation on which future measures are built.

Ensuring that business health and employment stability are systematically considered alongside scientifically backed health objectives would contribute to more balanced and effective policymaking.

² NL Government: https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2026Z07646&did=2026D17117

³ Info Estancos: <https://infoestancos.es/datos-oficiales-prohibicion-sabores-vapers/>

⁴ OLAF: https://ec.europa.eu/olaf-report/2023/index_en.html

⁵ European Commission – [Tobacco Excise Directive Staff Working Document, IA Report](#), (July 2025)

We would welcome the opportunity to contribute further evidence and engage in a constructive dialogue on how these considerations can be better integrated into future policy development.

Sincerely,

Director General



Ineta Rizgele